FFA

FFC AUDIT & RISK COMMITTEE
20th Meeting

18 May 2021

Agenda Item:	**9**
Paper No:	**ARC20-WP.07**
Title:	**Annual Work Programme and Budget (AWPB) 2021-2022**

Summary

The proposed FFA Annual Work Programme and Budget (AWPB) for the financial year (FY) ending 30 June 2022 is presented for Members' consideration.

The AWPB is prepared in accordance with Regulation 3 of the Financial Regulations. It is presented according to Divisional outputs in US dollars and the total anticipated budget for 2021/2022 is $ 26,485,165.

Based on the Secretariat's projections derived from the 8-monthly financial reports, the COVID-19 pandemic will result in significant under spending and under-utilization of budgets allocated for the FY2020/2021. With the continued travel restrictions, the Secretariat is expecting that there will be significant carry over at the end of June 2021 with a number of activities being carried over as well. With the lessons learnt from the "new working environment", the Secretariat will also be exploring and developing in-house capabilities to address gaps in our delivery of services. The proposed budget incorporates these expectations and needs.

Despite the ongoing challenges, the Secretariat continues progress on implementation of the Strategic Plan 2020-2025 and also seeks to deliver on key priorities through alternative modes to achieve, as much as possible, the intended outcomes.

Recommendation

The Committee is invited to:

1. **note** the proposed AWPB for the FY 2021/2022;

2. **discuss** on the ongoing impacts of the pandemic and direct the Secretariat to maintain Member Country Contributions to the same level as the previous financial year in light of the COVID-19 pandemic;

3. **approve** the proposed Annual Work Programme and Budget of **$26,485,165** for the Agency for the 2021/2022 Financial year; and

4. **note** the supplementary budget of **$ 1,286,799** which will be considered further in the Revised Budget to be presented to the Special FFC later in the year**.**

1. Introduction

1.1 The current pandemic has had a significant impact on how the Secretariat implements its activities. This has also had an impact on how the budget is being executed. Due to the significant underspending incurred since the start of the pandemic in March 2020, the extent of carry overs has been significant. This was further accelerated at the end of the financial year in June 2020 when $11m was carried over (over 63% of the donor funds and 39% of the overall budget).

1.2 The key factor contributing to the underspending is the ongoing travel restrictions. This has also meant that most costs associated with travel have not been utilized and this includes associated meeting costs, facilitation costs, some consultancy costs, inspection/assessment related costs, and other activity costs that can only be incurred if FFA representatives are mobilized in-country.

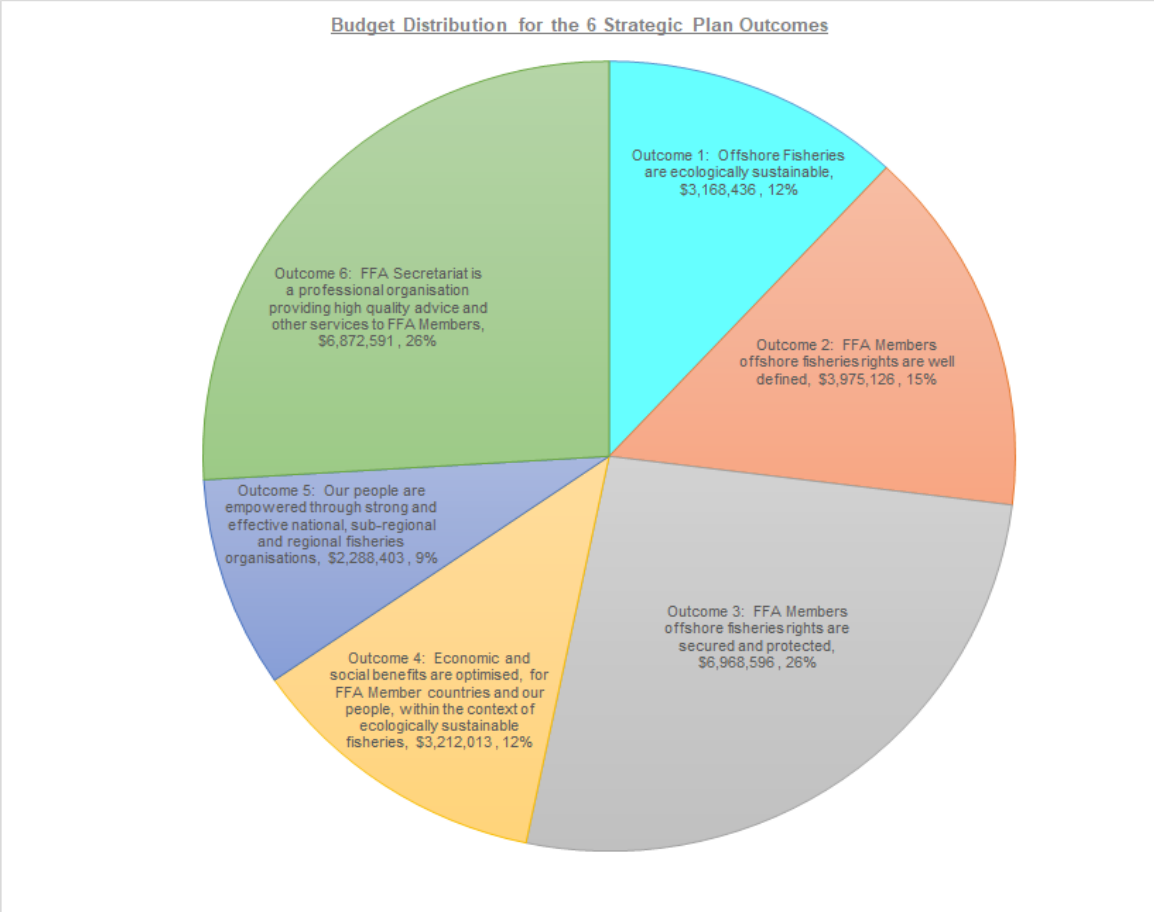
1.3 An assumption on travel restrictions continues to be factored into this proposed AWPB. However, with the ongoing vaccination programmes being implemented by our member countries and the rest of the world, the Secretariat anticipates that for the second six months (January 2022 to June 2022), there is a possibility that there could be some relaxation of travel restriction that would allow for regional and international travel to start. Hence, the budgeted travel components are for the second half of the financial year i.e January to June 2022.

1.4 A key factor for measuring the Secretariat's ability to execute activities targeted at achieving outcomes, is the execution of the AWPB. The Secretariat recognises that the budget execution rate has decreased markedly since the pandemic and this has resulted in significant underspending and carry overs, particularly in the travel estimates which were budgeted to commence from January 2021. However, through alternative means of resource mobilization, activities and engagements with members, including in-country work, continues to be delivered at a lower cost compared to budget.

1.5 The Secretariat continues to be innovative with alternative means of delivering its services. Some of these are in the form of electronic meeting platforms (like Zoom) to carry out meetings and workshops and also use of desktop reviews by staff and consultants as well as the utilization of in-country consultants and FFA staff working remotely in their home countries to carry out in-country work with some members and partners.

1.6 Alignment of the budget to the 2020-2025 Strategic Plan Strategic Outcomes is part of the work that is being done to implement the Plan. Further refinement will be done as the Divisional workplans are developed and activities are properly aligned to the Secretariat's high level outputs, the strategic indicators and short term and medium term outcomes. Mapping of the FY2021-22 AWPB to the Strategic Outcomes has been done and details are contained in Attachment 3 of this paper. The summary of the budget distribution over the six SP Outcomes is shown in chart 1.a.

Chart 1.a - Budget Distribution for the the six Strategic Plan Outcomes



2. Overall consolidated budget for FY2021/2022

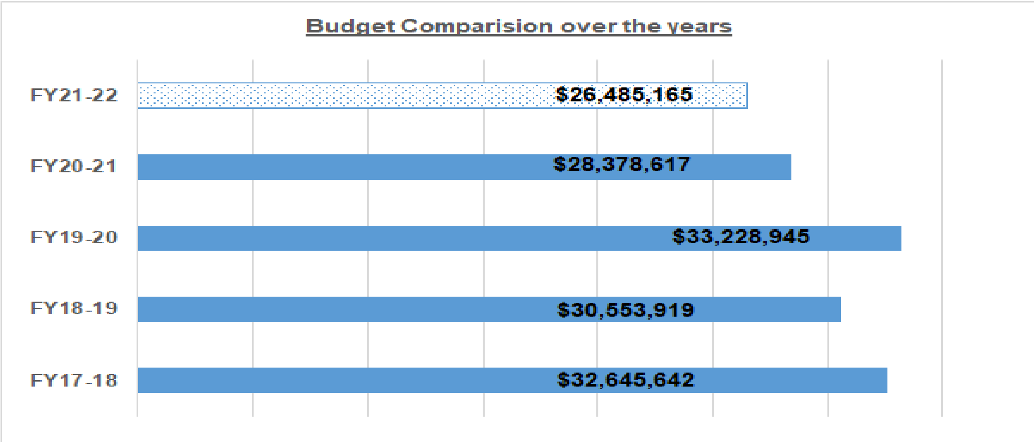
2.1 Table 2.a provides a Consolidated Budget for FY2020/2021. The figures include a consolidation of the General Fund, Trust Fund, VMS, Housing Fund, UST Administration and UST Observer Funds. The table also provides a comparison with previous years.

Table 2.a – Budgeted Statement of Income and expenditure

Budgeted Statement of Income and Expenses	FY 2021/22 Proposed Budget $	FY 2020/21 Approved Budget $	Budget movements $	Budget movement %
	A	B	C = A - B	D = C / B
Income				
Member country contributions	2,050,214	2,050,416	(202)	(0.01%)
Donor funding	15,245,427	17,533,996	(2,288,569)	(13.05%)
Vessel registration revenue	3,958,767	3,896,298	62,469	1.60%
Administered Fund	2,007,284	1,929,554	77,730	4.03%
Program support & administration fees	368,712	624,861	(256,149)	(40.99%)
Housing fund revenue	1,690,300	1,331,877	358,423	26.91%
Other income	1,164,461	1,011,615	152,846	15.11%
Total Income	**$ 26,485,165**	**$ 28,378,617**	**($ 1,893,452)**	**(6.67%)**
Expense by Output				
High Level Advice	5,295,824	4,914,435	381,389	7.76%
Fisheries Management	3,748,883	5,349,197	(1,600,314)	(29.92%)
Fisheries Development	4,647,818	5,673,865	(1,026,047)	(18.08%)
Fisheries Operations	5,749,561	4,953,855	795,706	16.06%
Corporate Services	3,904,721	4,359,359	(454,638)	(10.43%)
Total Services Delivered by FFA	**$ 23,346,807**	**$ 25,250,711**	**($ 1,903,904)**	**(7.54%)**
Services delivered by Third Party & Housing Fund				
Housing Fund	1,912,721	1,508,871	403,850	26.77%
Third Party	1,261,906	1,656,496	(394,590)	(23.82%)
Total services provided by third party & housing fund	**$ 3,174,627**	**$ 3,165,367**	**$ 9,260**	**0.29%**
Total Expenditure before adjustment for non-cash items	**$ 26,521,434**	**$ 28,416,078**	**($ 1,894,644)**	**(6.67%)**
Adjustment for non-cash items				
Adjustment for Depreciation	(36,269)	(37,461)	1,192	(3.18%)
Total Expenses	**$ 26,485,165**	**$ 28,378,617**	**($ 1,893,452)**	**(6.67%)**
Net Surplus/(Deficit) after adjustment for non-cash item	**-**	**-**	**-**	

2.2 Chart 2.b below provides a comparison of budgets over the last 4 financial years. Based on the Chart, the proposed budget is the lowest compared to the previous years. The Secretariat's ability to operate and address key issues is dependent on the level of funding the Secretariat receives. With the on-going restrictions, some activities continue to be deferred and carried over to the next financial year. The next financial year is critical to the Secretariat. Discussions with major stakeholders are ongoing regarding execution of project activities that cannot be progressed through alternative means while travel restrictions remain in place.

Chart 2.b – Budget comparison with previous periods



2.3 Chart 2.c and 2.d below provides a 4 year comparison of the budgeted income sources and also the composition of budgeted expenditure. From chart 2.c, FY2021-22 will record the lowest percentage at 58% for Trust fund, while there's an increase compared to previous years in the General fund, Vessel Register fund and Housing fund. With the fall in the Trust fund, the impact is quite evident in the drop in Fisheries Management and Fisheries Development budgeted expenditure which rely on this funding source to implement activities. This can be seen in the comparison provided in chart 2.d below where budgeted expenditure has fallen in these two divisions since FY2019-20.

2.4 However, the proposed budget for the FY21-22 HLA component has increased (covering 20% of the budget) in comparison over the years. The increase is associated with centralising some of the activities under HLA for better coordination and reporting and also other factors outlined in 7.5. An increase in Fisheries Operation was also noted at 22% in the proposed budget. The increase is related additional support provided for the MCS work like the development of the National MSC strategy, MCS equipments supported through the KIOST project and additional support towards the Observer programs (more details provided in section 8.4)

Chart 2.c. - Comparison of income sources with previous years budgets

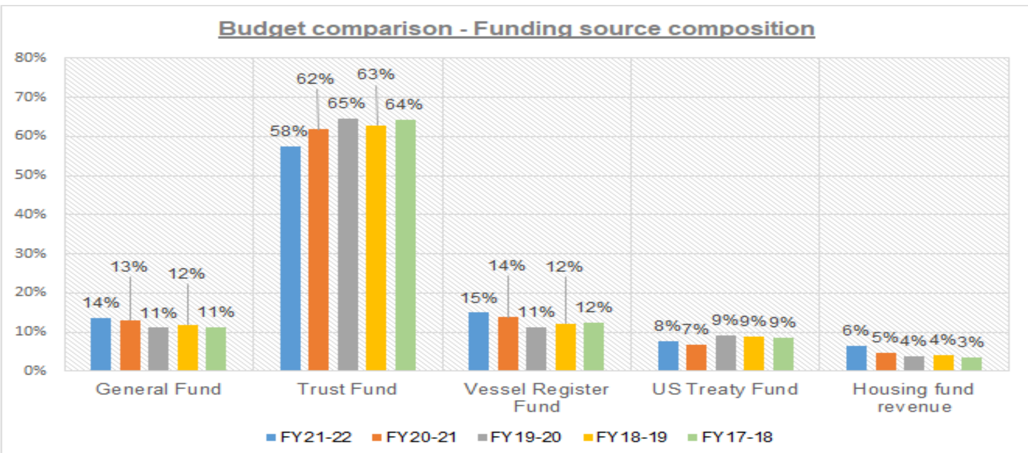
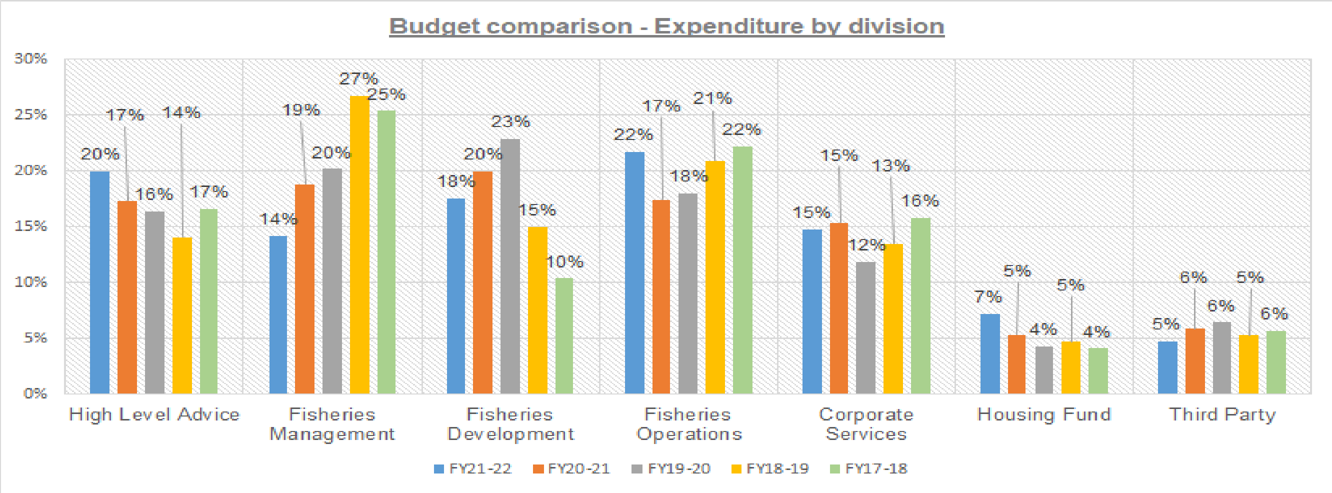
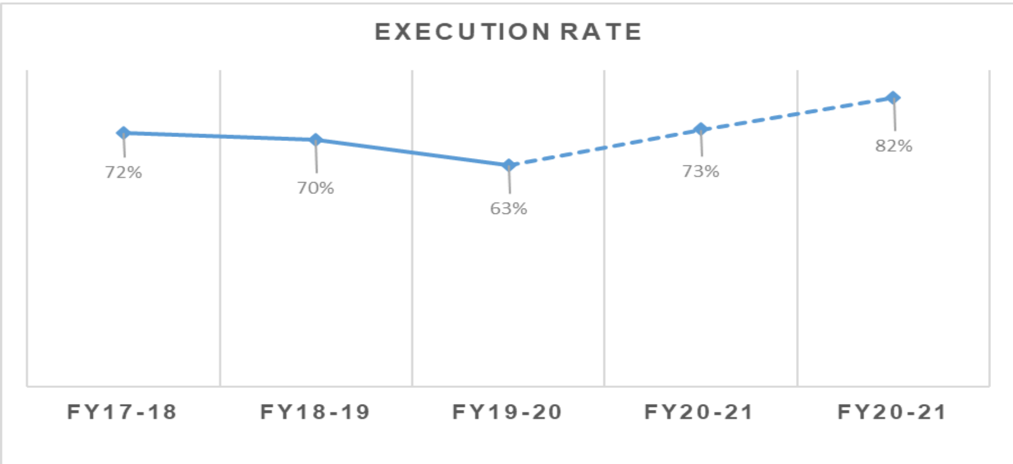


Chart 2.d - Comparison of Divisional expenditure budgets 2017-2021



2.5 Chart 2.e below provides a comparison of execution rates over the course of the 4 years. Execution rates also account for commitments. It is expected that some of these commitments will be carried over to the next financial year. There are two possible execution levels shown in Chart 2.c. 73% represents expected execution levels achieved internally which is around the FY2017-18 level or it could be higher at 82% through the timely delivery of services by FFA's implementing partner, SPC.

Chart 2.e – Budget execution rates



2.6 As evident from the table and charts above, the proposed budget for the current year is the lowest when compared to previous 4 years. The pandemic has continued to have its impact on the projection in our budgets. Key assumptions used in deriving the budgets is as follows:

- **No travel has been budgeted for the first 6 months (July to December 2021)**. Some travel has been budgeted for the second 6 months (January to June 2022). This is for travel that may occur given the ongoing vaccination programmes being administered by our members and the international community which could possibly result in the relaxation of some of the restrictions currently placed on regional and International travel.

- **Delivery of services including the implementation of activities and meetings continues and most will be done through use of online platforms** to conduct meetings and run workshops; the utilization of member country partners and in-country consultants to conduct research, surveys and data collection; and desktop reviews to carry out assessments remotely. **Some key meetings like the FFC and activities best suited for face-to-face interaction have been assumed to happen physically in the second six months** subject to the lifting of travel restrictions**.**

- The Secretariat also understands the difficulties that members are facing in combating COVID 19 and ensuring that our borders are safe. The Secretariat recognizes that this continues to be the main focus for our members requiring sufficient levels of financial resources. In light of this, the Secretariat will continue the **freeze in the annual increase for Member country contributions and this will be maintained at the FY19-20 levels**.

3. Budgeted Income

3.1 Table 3.a below highlights key movement in income levels when comparing to FY20-21

Table 3.a – Budgeted income

Budgeted Income	FY 2021/22 Proposed Budget $ A	FY 2020/21 Approved Budget $ B	Budget movements $ C = A - B	Budget movement % D = C / B
Income				
Member country contributions	2,050,214	2,050,416	(202)	(0.01%)
Donor funding	15,245,427	17,533,996	(2,288,569)	(13.05%)
Vessel registration revenue	3,958,767	3,896,298	62,469	1.60%
Administered Fund	2,007,284	1,929,554	77,730	4.03%
Program support & administration fees	368,712	624,861	(256,149)	(40.99%)
Housing fund revenue	1,690,300	1,331,877	358,423	26.91%
Other income	1,164,461	1,011,615	152,846	15.11%
Total Income	**$ 26,485,165**	**$ 28,378,617**	**($ 1,893,452)**	**(6.67%)**

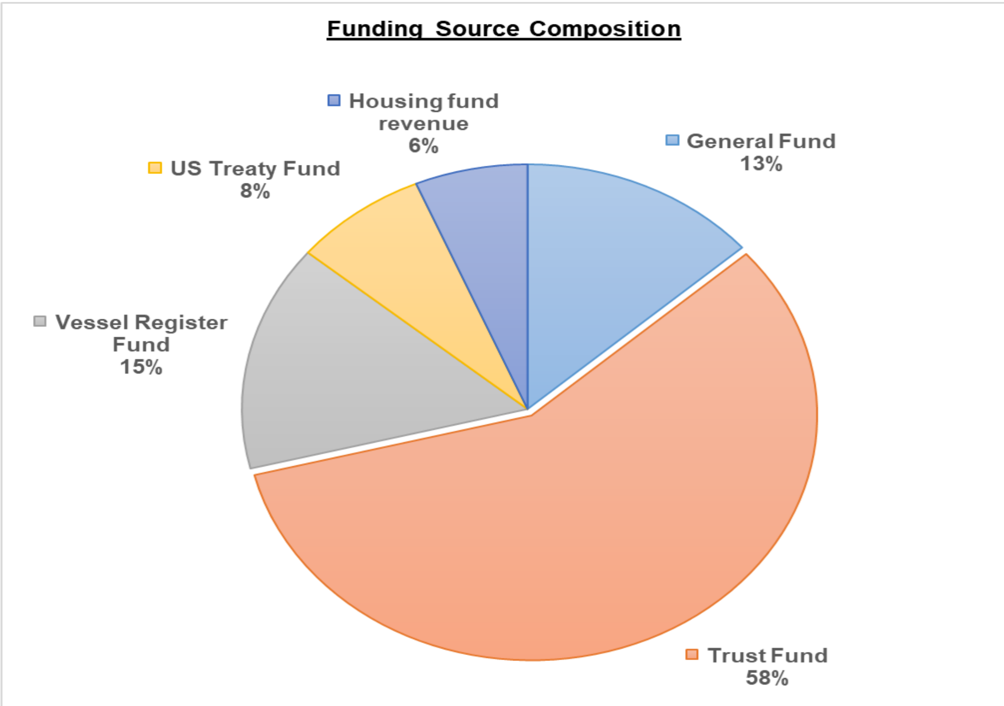
3.2 **The total budgeted income is $ 26,485,165**. FFA's budget approach is similar to that of the previous financial year. The budgeted income is the portion of forecasted income that will be made available to meet the budgeted expenditure. The proposed budget represents the Secretariat's forecast ability to execute the budget given the impacts of COVID 19, and the assumptions presented in section 2 above.

3.3 Table 3.b below represents the **distribution of funds by our various funding sources**. The Trust fund accounts for 58% of the total budgeted income and includes both the Program Funding from Australia and New Zealand and project funds from donors and development partners for specific programmatic activities. Core funds account for 34% which includes the General fund, VMS fund and the Housing fund. The US Treaty Fund covers the balance of 8%.

Table 3.b – Funding source composition

Funding source composition	FY 2021/22 Proposed Budget $	FY 2020/21 Approved Budget $	Budget movements $	Budget movement %
General Fund	3,583,387	3,686,892	(103,505)	(2.81%)
Trust Fund	15,245,427	17,533,996	(2,288,569)	(13.05%)
Vessel Register Fund	3,958,767	3,896,298	62,469	1.60%
US Treaty Fund	2,007,284	1,929,554	77,730	4.03%
Housing fund revenue	1,690,300	1,331,877	358,423	26.91%
Total Income	**$ 26,485,165**	**$28,378,617**	**($ 1,893,452)**	**(6.67%)**

Chart 3.c – Funding source composition for FY2021-2022



3.4 **Exchange rates of AUD/USD and NZD/USD used for the purposes of this budget remain unchanged** from the previous approved budget. It is a conservative approach that FFA has taken given the uncertainty of the current pandemic and to mitigate exchange rate fluctuations.

3.5 In comparison with FY2020/2021, overall budgeted income has decreased by almost 7% from $28.3m to $26.4m. While a number of income areas have steadily increased, two (2) major areas that contributed to this drop are:

- Donor funding decreased by over $2.2m or 13%.
- Program support & administration fees which has decreased by over 40% or more than $0.25 million.

4. Donor Funding - Trust Fund

4.1 A number of factors have contributed to the decrease in donor funding and the most significant is the under spending in projects which has contributed to significant carry overs.

4.2 Based on the eight months statement of income and expenditure *(ARC20.WP.03-Financial Report as at 28 Feb 2021)* the carryover of funds is estimated at $8,407,550. The carry-over accounts for approximately 55% of the Trust Fund budget for the new financial year and translates to 32% of the overall Secretariat budget. Table 3.d below shows the breakdown by donors and including forecasted carryovers from the current year.

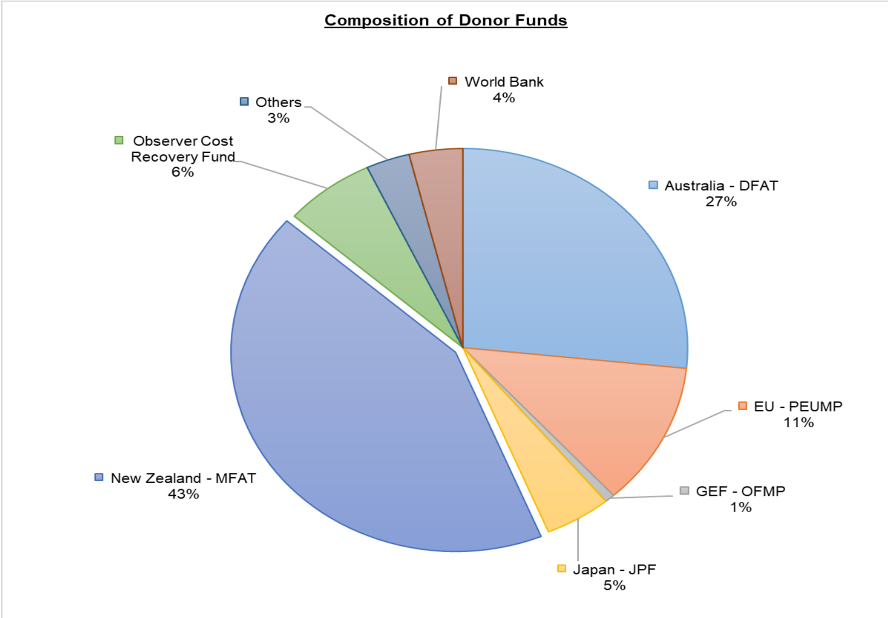
Table 4.a – Donor funds composition

Donor Funds	Forecasted carryover from FY2020-2021	Forecasted new funding	Budgeted Donor Funds FY2021-2022
Australia - DFAT	976,594	3,087,925	4,064,519
EU	938,876	836,768	1,775,644
FAO	77,423	(95)	77,328
GEF - OFMP	-	110,547	110,547
Japan - JPF	194,449	530,251	724,700
KIOST	114,783	17,217	132,000
New Zealand - MFAT	4,887,699	1,620,855	6,508,554
Observer Cost Recovery Fund	646,646	347,361	994,007
Others	400,952	(300,952)	100,000
PEW	59,829	-	59,829
WCPFC	110,299	-	110,299
World Bank	-	588,000	588,000
Total Income	**$ 8,407,550**	**$ 6,837,877**	**$ 15,245,427**

4.3 Chart 4.b below represents the composition of Trust funds by donor. The distribution is inclusive of Programme funds provided by Australia and New Zealand.

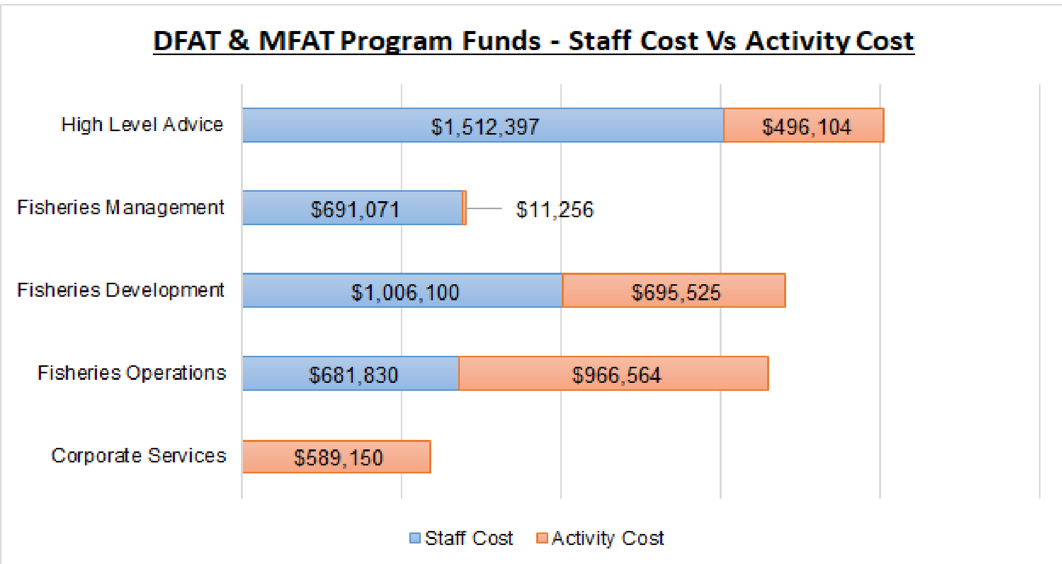
4.4 It is estimated that $2.2m of the programme funding from Australia and New Zealand will be carried forward to FY2021/22. This is a significant increase when compared to the previous year of $862,000. However, the bulk of the carry over represent commitments on activities that will be delivered in the new financial year.

Chart 4.b – Donor composition under Trust funds



4.5 Chart 4.c below shows the budget composition of the DFAT and MFAT programme funding. For the FY2021-22, a total of $6.6m is budgeted under this funding source. Overall 59% ($3.9m) is allocated for staff costs while 41% ($2.7m) is allocated for activity costs.

Chart 4.c - Budget composition for DFAT and MFAT program funding



4.6 Funds available under the Trust fund (Donor funds) are restricted or committed towards specific sets of activities. This is intended for a specific outcome and governed by the donor agreements that are currently in place.

4.7 Apart from factors associated with significant carry overs, other factors contributing to the reduction in Trust fund (donor funds) include:

- Expiry of a number of donor agreements in the current year or the next financial year, namely the World Bank Projects, GEF OFMP 2 Project, NZMFAT IEEB Project (discussions currently ongoing for a renewal), DFAT NTSA project.
- Changing priorities of key stakeholders and donors due to the ongoing priority placed on responding to the pandemic.
- Deferment of some in-country activities due to travel restrictions and lack of available in-country consultants.

5. Program support & administration fees

5.1 Administration fees are charged to donors at a maximum rate of 15% on funds received. The fee covers overhead costs associated with administering projects. In accordance with the financial regulation 13.d, "In accordance with decisions of the Committee, the Agency will recoup a management fee for all Trust Fund or similar activities, with such funds transferred to the General Fund. This fee shall be up to a maximum of 15 per percent unless otherwise agreed. In those instances where the transfer of such a fee either cannot be agreed or is not appropriate (such as small scale project funding) the Director General will implement an acceptable alternative arrangement and seek the advice of the Committee if required". The administration fee is charged during the financial year in which the fund is received.

5.2 With the significant carry overs and a reduction in anticipated new funding, the Secretariat will face challenges in trying to cover for the unfunded overhead costs in the long run. In the proposed budget, the Secretariat was able to cushion this constraint through the support by Australia on the use of its ProjectDevelopment Fund (PDF) and also through the unspent budgets associated with travel in the General Fund.

6. In-kind contributions

6.1 The proposed budget does not include in-kind assistance such as the Regional Aerial Surveillance Programme (RASP) managed by the Secretariat, which is a component of the Australia funded Pacific Maritime Security Programme (PMSP), a 30-year commitment by Australia to regional maritime security. Under the RASP, Australia has contracted Technology Service Corporation to provide 1400 hours of aerial surveillance per year for the 15 FFA PICs using two King Air aircraft that are fitted with state of the art sensor avionics and communications technology. This is estimated to cost AUD10m per year.

6.2 New Zealand has also provided aerial surveillance through the Royal New Zealand Air Force.

7. Budgeted expenditure

7.1 Table 7.a below represents the allocation of budgeted expenditure across each of the main output areas.

Table 7.a – Budgeted expenditure

Budgeted expenditure	FY 2021/22 Proposed Budget $	FY 2020/21 Approved Budget $	Budget movements $	Budget movement %
Expense by Output				
High Level Advice	5,295,824	4,914,435	381,389	7.76%
Fisheries Management	3,748,883	5,349,197	(1,600,314)	(29.92%)
Fisheries Development	4,647,818	5,673,865	(1,026,047)	(18.08%)
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Total Services Delivered by FFA	**23,346,807**	**25,250,711**	**(1,903,904)**	**(7.54%)**
Services delivered by Third Party & Housing Fund				
Housing Fund	1,912,721	1,508,871	403,850	26.77%
Third Party	1,261,906	1,656,496	(394,590)	(23.82%)
Total services provided by third party & housing fund	**3,174,627**	**3,165,367**	**9,260**	**0.29%**
Total Expenditure	**26,521,434**	**28,416,078**	**(1,894,644)**	**(6.67%)**
Adjustment for non-cash items				
Adjustment for Depreciation	(36,269)	(37,461)	1,192	(3.18%)
Total Expenses after adjustment for non-cash items	**$ 26,485,165**	**$ 28,378,617**	**($ 1,893,452)**	**(6.67%)**

7.2 In comparison with the previous financial year, overall there is a decrease in budgeted expenditure of $1.8m. With the significant carry over and the factors described in section 4 and 5 above, the Secretariat is focused on activities that are aligned to the members' priorities. Also, in keeping with the assumptions of the budget, the travel and meeting related costs are relatively low.

7.3 Chart below represents the composition of staff costs and activity costs:

Chart 7.b – Comparison of Staff and activity costs against previous year.

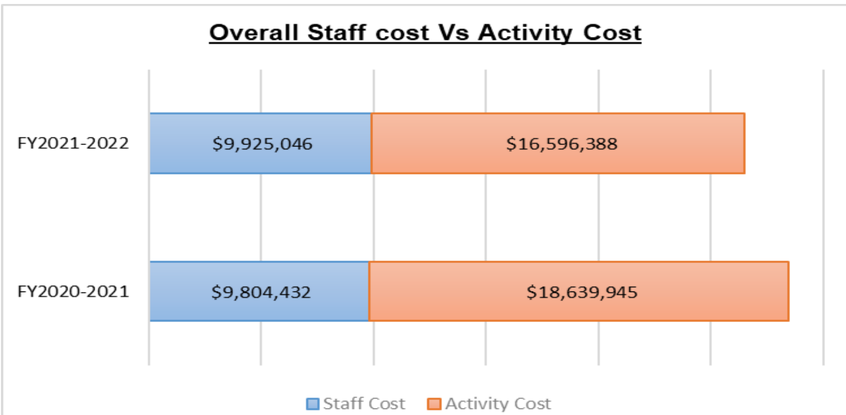


Chart 7.c – Staff cost Vs Activity cost by Outputs

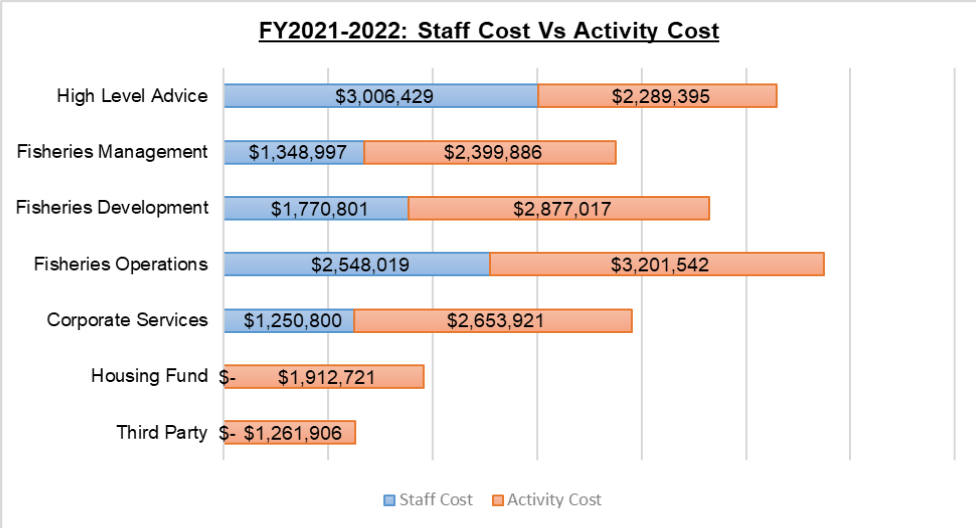
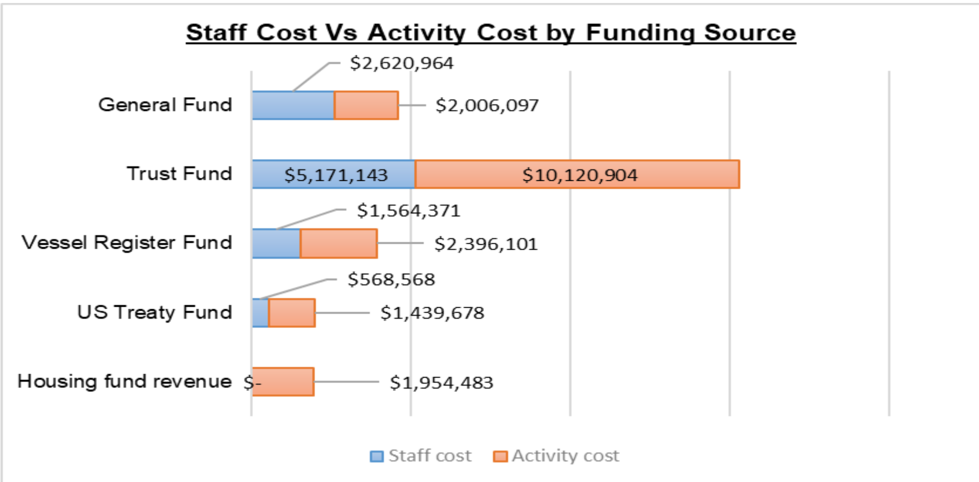


Chart 7.d – Staff cost Vs Activity cost by funding source



7.4 As shown in chart 7.b, activity costs have decreased by $2.04m This drop is attributed to the closure of projects as mentioned in section 4.9 and is also attributed to the significant reduction in travel and meeting costs.

7.5 Staff costs have increased slightly by $120k. The slight increase is attributed to the Secretariat's efforts in recruiting vacant positions and increasing specialist capacity in-house to focus on priority areas of Strategic Engagement and Communications and resources to support the Strategic Plan implementation. In future years, it is anticipated there will be increased focus on resourcing climate change and gender and inclusion work. Also, with the current support by New Zealand on the implementation of the Strategic Plan 2020-2025, the Secretariat will be exploring establishment of a MERL specialist position in-house.

8. Key priorities that are incorporated as part of the budgeted expenditure

8.1 High Level Advice:

- Providing strategic leadership and executive management oversight of the Secretariat, ensuring Members' priorities are facilitated and delivered, and governance processes are followed including reporting to FFC.
- Continue to lead the implementation of the Strategic Plan 2020-2025 and ensure that the 5-year Business Plan is in place and the monitoring, evaluation, reporting and learning (MERL) framework is designed and implemented.
- Continued strengthening of Executive outreach activities to both donors and member countries to strengthen engagement and presence.
- Greater support and strengthening of communication, public outreach & media relations.
- Development and enhancement of in-house capabilities focusing on MERL, Gender and Climate Change.
- Strengthening the Internal Audit and Risk function with adequate resources.
- Provision of legal advice on any matter of national importance including but not limited to the review of legislation, the preparation of legislation, the interpretation of legislation, the preparation of a case file, support for the prosecution of fisheries offences, or advice on any issue relating to fisheries.
- Enhancement of legal capacity and prosecution capacity including through the provision of training on national legislation, investigations and evidence management, boarding and inspections, analysis of evidence, and prosecution of offences.
- Continued Support for the delimitation of maritime boundaries including assistance with regional efforts for the recognition in perpetuity of declared maritime boundaries
- Training to build the capacity of FFA Members and the secretariat in International Fisheries Law and Law of the Sea.
- Enhance the knowledge of the judiciary on international fisheries law and developments in the region

8.2 Fisheries Management:

- Progressing Harvest Strategy Work Plan
- Added focus on implementation of the Regional Longline Strategy with a particular emphasis on establishment of zone based limits for longline fisheries within EEZs and on the high seas.
- Continued work on Port States Measures and Catch Documentation Schemes
- WCPFC, including high seas purse seine & LL limits and allocation frameworks under the TTM; development of a new Albacore CMM

8.3 Fisheries Development:

- Regional initiative by providing support towards the Pacific Island Food Revolution;
- Export inspection and certification for Market Access;
- Support in the analysis & quantification contribution of Tuna towards food security;
- Focus on Fisheries Development Planning;
- A provision for national or sub-regional economic analysis to support members; and
- Continuance of Economic data processing, storage and dissemination.

8.4 Fisheries Operations:

- National MCS strategy development and RMCSS M&E

- Continued focus on Observer Livelihood & Safety
- EM Cost Benefit Analysis
- EM Standard
- Electronic Vessel Register
- IM Strategy
- Continued investments in new and emerging technologies.

8.5 **Corporate Services:**

- Integration of Secretariat business systems in finance, procurement, travel, HR and payroll that are fit for purpose.
- Review of financial planning and budgeting systems - Part of the implementation of the Strategic Plan, the Secretariat budget system will be reviewed to ensure alignment to the high level outputs, strategic outcomes and indicators, and MERLA reporting requirements ensuring transparency, accountability, and timely access to financial information for decision making.
- Development of a Corporate Services multi-year Divisional Plan that will set out Corporate Services' activities that will contribute to the 5 Year Business Plan and the 2020-2025 SP outcome 6, the relevant strategic indicators, and high level organisational outputs.
- Review fees and internal charges based on EY Review report **-** Combination of fee assumptions based on acceptable fee charging principles will be tested using the Divisional Plan and Business Plan multi-year financial forecasts.
- A review of the Corporate Services Division functions and reporting consistent with the organizational structure, and organisational processes and systems required to support the efficient delivery of the high-level organisational outputs and strategic outcomes of the organization.
- Development of the Secretariat's People Strategy - Part of this work includes review of the Organisational structure and development of the HR Capability Framework. Job descriptions will be reviewed and role performance measures mapped to Divisional measures and relevant strategic outcome indicators.
- Continuation of the review of organizational policies and processes to support changes identified in the Business Plan and Divisional Plans and will also consider the changing environment we are operating in.
- A multi-year FFA property repairs & maintenance and capital expenditure budgets will be developed based on the findings and recommendations of the Property Review currently underway.

<u>ATTACHMENT 1:</u> **SUPPLEMENTARY BUDGET**

Description	FY21-22 Supplementary budget
Output 2 - Fisheries Management	
GEF OFMP3 Activities	1,286,799
Total	$ 1,286,799

1. Key highlights:

1.1 Overall supplementary budget totals $1.2m

1.2 The supplementary budget relates to GEF OFMP 3 activities. This is a project that is expected to commence during the financial year 2021-22. Due to uncertainty about the exact timing for the signing of the project agreement, the budget has been classified under the supplementary budget.

ATTACHMENT 2: DETAILED ACTIVITY BUDGET

Budgeted Activities	Total Budgeted expenditure	Funding Source					
		General Fund	DFAT & MFAT Programme Funding	Trust Fund Projects	Housing Fund	Vessel Register Fund	US Treat Funds (Administered Funds)
1 - High Level Advice							
1.01 - Executive Management							
1.01.00 - Executive Management staff	1,873,625	1,395,398	379,592	-	-	98,635	-
1.01.01 - FFA governance	105,322	105,322	-	-	-	-	-
1.01.02 - Strategic management	803,355	-	-	803,355	-	-	-
1.01.03 - Donor and partner relations	110,237	-	53,537	56,700	-	-	-
1.01.04 - Regional relations and meetings	116,718	-	6,419	110,299	-	-	-
1.01.05 - Member support for meetings	227,774	-	35,274	192,500	-	-	-
1.01.06 - Innovative Initiative to support priorities	174,460	-	174,460	-	-	-	-
1.01.11 - Pacific Fisheries Leadership Programme (PFLP)	96,757	-	-	96,757	-	-	-
	3,508,248	**1,500,720**	**649,282**	**1,259,611**	**-**	**98,635**	**-**
1.02 - Legal framework and international law							
1.02.00 - Legal framework and international law	684,162	-	684,162	-	-	-	-
1.02.01 - General legal advice - national and regional	16,216	-	16,216	-	-	-	-
1.02.02 - GLA - regional	336,138	-	25,000	311,138	-	-	-
1.02.05 - FISHLEX activities	36,720	-	-	36,720	-	-	-
1.02.06 - Legal capacity building and prosecution support	65,500	-	15,000	50,500	-	-	-
	1,138,736	**-**	**740,378**	**398,358**	**-**	**-**	**-**
1.03 - Internal audit							
1.03.00 - Internal audit staff cost	164,977	-	164,977	-	-	-	-
1.03.01 - Internal audit software	21,198	-	21,198	-	-	-	-
1.03.02 - IA professional development	4,000	-	4,000	-	-	-	-

	190,175	**-**	**190,175**	**-**	**-**	**-**	**-**
1.04 - Media and communication							
1.04.00 - Media and communication staff cost	143,837	-	143,837	-	-	-	-
1.04.01 - Managing media and network	45,000	-	45,000	-	-	-	-
1.04.02 - Publication and outreach	35,000	30,000	5,000	-	-	-	-
1.04.06 - FFA & members communication infrastructure & training	90,000	-	90,000	-	-	-	-
	313,837	**30,000**	**283,837**	**-**	**-**	**-**	**-**
1.05 - Capacity building and training							
1.05.00 - Capacity building and training staff cost	139,829	-	139,829	-	-	-	-
1.05.01 - Training framework development	5,000	-	5,000	-	-	-	-
	144,829	**-**	**144,829**	**-**	**-**	**-**	**-**
1 - Total High Level Advice	**$ 5,295,825**	**$ 1,530,720**	**$ 2,008,501**	**$ 1,657,969**	**$ -**	**$ 8,635**	**$ -**
2 - Fisheries Management							
2.01 - Integrated Fisheries Management							
2.01.00 - Fisheries Management staff	986,254	-	691,071	295,183	-	-	-
2.01.01 - Fisheries management policy advice - national	37,489	-	11,256	26,233	-	-	-
2.01.06 - SP Tuna longline policy and management	982,241	-	-	982,241	-	-	-
2.01.08 - Port State Measures	678,963	-	-	678,963	-	-	-
2.01.10 - Catch Documentation Scheme	194,468	-	-	194,468	-	-	-
	2,879,415	**-**	**702,327**	**2,177,088**	**-**	**-**	**-**
2.03 - Administered Funds - (USTA)							
2.03.00 - Administered Fund staff costs (UST)	252,196	-	-	-	-	-	252,196
2.03.01 - UST annual consultation	355,000	-	-	-	-	-	355,000
2.03.02 - Operational UST advice	329,665	-	-	-	-	-	329,665
2.03.03 - UST training and attachment	20,000	-	-	-	-	-	20,000
2.03.04 - UST monitoring of fund collection and distribution	20,000	-	-	-	-	-	20,000

2.03.05 - Technical consultation VDS	20,000	-	-	-	-	-	20,000
2.03.06 - Broader cooperation activities	9,960	-	-	-	-	-	9,960
2.03.08 - Consultation services - support for negotiation	20,000	-	-	-	-	-	20,000
2.03.09 - Cost recovery	191,390	-	-	-	-	-	191,390
	1,218,211	**-**	**-**	**-**	**-**	**-**	**1,218,211**
2.07 - OFMP 2 - FAO							
2.07.01 - Regional Action for Ecosystem-Based Management	36,876	-	-	36,876	-	-	-
	36,876	**-**	**-**	**36,876**	**-**	**-**	**-**
2.08 - OFMP 2 - UNDP							
2.08.05 - Project Management	73,671	-	-	73,671	-	-	-
	73,671	**-**	**-**	**73,671**	**-**	**-**	**-**
2 - Total Fisheries Management	**$ 4,208,173**	**$ -**	**$ 702,327**	**$ 2,287,635**	**$ -**	**$ -**	**$ 1,218,211**
3 - Fisheries Development							
3.01 - Economic Intelligence Unit (EI)							
3.01.00 - Economic intelligence unit staff cost	413,557	-	413,557	-	-	-	-
3.01.11 - Economic data collection, processing, storage & dissemination	65,627	-	65,627	-	-	-	-
3.01.12 - Provision of national, sub/regional & economic analysis	112,188	-	112,188	-	-	-	-
3.01.13 - Capacity building in fisheries related economies analysis	133,300	-	-	133,300	-	-	-
3.02.05 - Trade Information	98,400	-	-	98,400	-	-	-
	823,072	**-**	**591,372**	**231,700**	**-**	**-**	**-**
3.02 - Fisheries Development Support (FDS)							
3.02.00 - Fisheries development support staff	161,802	-	161,802	-	-	-	-
3.02.01 - Fisheries development planning	53,960	-	23,960	30,000	-	-	-
3.02.03 - Support for subregional activities	66,998	-	66,998	-	-	-	-
	282,760	**-**	**252,760**	**30,000**	**-**	**-**	**-**
3.03 - Investment Facilitation Unit (IF)							

3.03.00 - IF Unit Staff costs	317,449	-	257,643	59,806	-	-	-
3.03.02 - Investment facilitation in-country	97,890	-	-	97,890	-	-	-
3.03.04 - Regional initiatives	379,151	-	379,151	-	-	-	-
3.03.05 - Support to Small Medium Enterprises (SME)	42,935	-	-	42,935	-	-	-
3.03.06 - Gender Development	27,478	-	-	27,478	-	-	-
	864,903	**-**	**636,794**	**228,109**	**-**	**-**	**-**
3.04 - Trade & Export Facilitation Unit (TEF)							
3.04.00 - Trade & Export facilitations staff cost	173,099	-	173,099	-	-	-	-
3.04.01 - Export inspection and certification	140,339	-	47,600	92,739	-	-	-
	313,438	**-**	**220,699**	**92,739**	**-**	**-**	**-**
3.07 - EDF 11 PEUMP							
3.07.01 - EDF 11 PEUMP - Tuna development (TDF)	1,060,632	-	-	1,060,632	-	-	-
3.07.02 - EDF 11 PEUM - IUU	715,012	-	-	715,012	-	-	-
	1,775,644	**-**	**-**	**1,775,644**	**-**	**-**	**-**
3.08 - PROP Component 1: Sustainable Management of Oceanic Fisheries							
3.08.01 - Sustainable Management of Oceanic Fisheries	377,500	-	-	377,500	-	-	-
	377,500	**-**	**-**	**377,500**	**-**	**-**	**-**
3.11 - PROP Component 4: Regional coordination and implementation							
3.11.01 - Regional coordination, implementation support and training	210,500	-	-	210,500	-	-	-
	210,500	**-**	**-**	**210,500**	**-**	**-**	**-**
3 - Total Fisheries Development	**$ 4,647,817**	**$ -**	**$ 1,701,625**	**$ 2,946,192**	**$ -**	**$ -**	**$ -**
4 - Fisheries Operations							
4.01 - Monitoring, Compliance & Surveillance Op							
4.01.00 - Fisheries Operation staff	985,554	-	443,935	109,314	-	432,305	-
4.01.01 - MCS strategy implementation	294,145	-	214,316	79,829	-	-	-

4.01.02 - MCS related workshop	174,249	-	174,249	-	-	-	-
4.01.05 - MCS equipment for operation centre	132,000	-	-	132,000	-	-	-
4.01.06 - Emerging Technology	152,284	-	-	152,284	-	-	-
	1,738,232	**-**	**832,500**	**473,427**	**-**	**432,305**	**-**
4.02 - Observer Program							
4.01.03 - MCS related training	112,200	-	-	112,200	-	-	-
4.02.00 - UST staff cost	291,138	-	-	-	-	-	291,138
4.02.02 - Train trainers	40,608	-	-	40,608	-	-	-
4.02.04 - Observer placement	309,500	-	-	-	-	-	309,500
4.02.05 - Observer equipment and database	37,500	-	-	-	-	-	37,500
4.02.06 - Observer services	68,076	-	-	-	-	-	68,076
4.2.02 - Train trainers	100,555	-	-	100,555	-	-	-
4.2.03 - Observer trainings	5,700	-	-	5,700	-	-	-
4.2.05 - Observer equipment and database	137,875	-	-	137,875	-	-	-
4.2.07 - Observer scheme coordinator	749,877	-	-	749,877	-	-	-
	1,853,029	**-**	**-**	**1,146,815**	**-**	**-**	**706,214**
4.03 - Vessel Register							
4.03.00 - VMS staff costs	1,633,789	-	-	-	-	1,633,789	-
4.03.01 - Country assistance	63,275	-	-	-	-	63,275	-
4.03.02 - VMS enhancement and support	30,000	-	-	-	-	30,000	-
4.03.03 - VMS communications	718,000	-	-	-	-	718,000	-
4.03.04 - VMS hardware maintenance	256,705	-	-	-	-	256,705	-
4.03.05 - FFA VMS support cost	35,000	-	-	-	-	35,000	-
4.03.06 - Commission support costs	15,000	-	-	-	-	15,000	-
4.03.07 - Vessel registry services	105,000	-	-	-	-	105,000	-
	2,856,769	**-**	**-**	**-**	**-**	**2,856,769**	**-**
4.04 - Information Technology							
4.04.00 - IT staff costs	725,257	-	237,893	-	-	487,364	-
4.04.01 - IT projects	385,000	-	380,000	5,000	-	-	-

4.04.04 - IT supplies and consumables	90,000	-	75,000	15,000	-	-	-
4.4.03 - RIMF Development	123,000	-	123,000	-	-	-	-
5.03.15 - Computer equipment and maintenance	60,000	-	-	60,000	-	-	-
	1,383,257	**-**	**815,893**	**80,000**	**-**	**487,364**	**-**
4 - Total Fisheries Operations	**$ 7,831,287**	**$ -**	**$ 1,648,393**	**$ 1,700,242**	**$ -**	**$ 3,776,438**	**$ 706,214**
5 - Corporate Services							
5.01 - Financial Services							
5.01.00 - Finance staff	577,139	551,905	-	-	-	-	25,234
5.01.01 - Budget formulation, monitoring and forecasting	4,651	4,651	-	-	-	-	-
5.01.02 - Financial accounting services	35,000	5,000	30,000	-	-	-	-
5.01.03 - Cashflow management & treasury operations	40,000	40,000	-	-	-	-	-
5.01.04 - Compilation & preparation of FFA annual Financial statement	30,000	30,000	-	-	-	-	-
5.01.07 - Financial policies development and maintenance	50,000	-	50,000	-	-	-	-
5.01.08 - Financial information systems management and maintenance	113,745	61,575	52,170	-	-	-	-
5.05.01 - Corporate charges	15,000	15,000	-	-	-	-	-
	865,535	**708,131**	**132,170**	**-**	**-**	**-**	**25,234**
5.02 - Human Resources, Strategic Planning & Performance Management							
5.02.00 - Human Resources staff	431,185	431,185	-	-	-	-	-
5.02.02 - HR services operations	125,000	125,000	-	-	-	-	-
5.02.03 - CROP harmonisation	83,393	60,000	20,000	3,393	-	-	-
5.02.05 - Capacity development	105,000	-	105,000	-	-	-	-
	744,578	**616,185**	**125,000**	**3,393**	**-**	**-**	**-**
5.03 - Administration							
5.03.00 - Administration staff	267,646	242,476	-	-	25,170	-	-
5.03.02 - Communication charges	100,000	100,000	-	-	-	-	-

5.03.03 - Hospitality expenses	30,000	30,000	-	-	-	-	-
5.03.04 - Insurance charges	491,142	208,253	131,980	-	9,590	83,694	57,625
5.03.05 - Office support services	291,000	91,000	200,000	-	-	-	-
5.03.06 - Utility charges	223,200	223,200	-	-	-	-	-
5.03.07 - Security services	125,000	125,000	-	-	-	-	-
5.03.08 - Ground maintenance	55,000	55,000	-	-	-	-	-
5.03.09 - Office maintenance	30,000	30,000	-	-	-	-	-
5.03.10 - Motor Vehicle maintenance	65,000	65,000	-	-	-	-	-
5.03.11 - Building maintenance	325,000	325,000	-	-	-	-	-
5.03.12 - Conference Maintenance	50,000	50,000	-	-	-	-	-
5.03.13 - Office Equipment	30,000	30,000	-	-	-	-	-
5.03.16 - Plant and equipment	36,400	36,400	-	-	-	-	-
5.03.19 - Depreciation Expenses	331,051	160,696	-	46,619	121,069	1,705	962
	2,450,439	**1,772,025**	**331,980**	**46,619**	**155,829**	**85,399**	**58,587**
5.06 - Housing fund administration							
5.06.00 - Housing fund staff cost	28,515	-	-	-	28,515	-	-
5.06.01 - R & M - FFA houses	220,500	-	-	-	220,500	-	-
5.06.03 - HF insurance cover	15,000	-	-	-	15,000	-	-
5.06.04 - Property rents and rates	500	-	-	-	500	-	-
5.06.05 - Household items	53,000	-	-	-	53,000	-	-
5.06.06 - Miscellaneous	50,003	-	-	-	50,003	-	-
5.06.07 - Non-FFA houses payment	1,431,136	-	-	-	1,431,136	-	-
	1,798,654	**-**	**-**	**-**	**1,798,654**	**-**	**-**
5 - Total Corporate Services	**$ 5,859,206**	**$ 3,096,341**	**$ 589,150**	**$ 50,012**	**$ 1,954,483**	**$ 85,399**	**$ 83,821**
Total budgeted Activities	**$ 27,842,308**	**$ 4,627,061**	**$ 6,649,996**	**$ 8,642,050**	**$ 1,954,483**	**$ 3,960,472**	**$ 2,008,246**
Less Elimination entries	**($ 1,320,847)**	**-**	**-**	**-**	**($ 41,762)**	**($ 1,087,722)**	**($ 191,390)**
Total budgeted Activities after elimination	**$ 26,521,434**	**$ 4,627,061**	**$ 6,649,996**	**$ 8,642,050**	**$ 1,912,721**	**$ 2,872,750**	**$ 1,816,856**

<u>ATTACHMENT 3</u>: DETAILED BUDGET DISTRIBUTION FOR THE SIX STRATEGIC PLAN OUTCOMES

Description	Outcome 1: Offshore Fisheries are ecologically sustainable	Outcome 2: FFA Members offshore fisheries rights are well defined	Outcome 3: FFA Members offshore fisheries rights are secured and protected	Outcome 4: Economic and social benefits are optimised, for FFA Member countries and our people, within the context of ecologically sustainable fisheries	Outcome 5: Our people are empowered through strong and effective national, sub-regional and regional fisheries organisations	Outcome 6: FFA Secretariat is a professional organisation providing high quality advice and other services to FFA Members	Total
Output 1: High Level Advice	659,793	500,687	1,666,596	539,691	1,147,678	781,379	$ 5,295,824
Output 2: Fisheries Management	1,295,101	1,299,477	844,250	-	571,782	5,210	$ 4,015,820
Output 3: Fisheries Development	1,117,781	-	1,071,082	2,083,521	375,433	-	$ 4,647,818
Output 4: Fisheries Operation	-	2,079,202	3,290,908	409,721	97,750	864,282	$ 6,741,863
Output 5: Corporate Services	95,760	95,760	95,760	179,080	95,760	5,221,720	$ 5,783,840
TOTAL	**$ 3,168,436**	**$ 3,975,126**	**$ 6,968,596**	**$ 3,212,013**	**$ 2,288,403**	**$ 6,872,591**	**$ 26,485,165**
Percentage	**12%**	**15%**	**26%**	**12%**	**9%**	**26%**	**100%**

(Note: Outputs 2 & 4, figures are inclusive of Third Party budgeted expenditure of $267k and $994k respectively. While Output 6 is inclusive of housing fund budgeted expenditure - $1.9m)